



United States Senate

NEWS RELEASE

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LAST AND PROUD OF IT

Report finds that Idaho spends the least on Medicare chronic illness expenses; has best outcomes

WASHINGTON, D.C. -- Idaho Senators Larry Craig and Mike Crapo highlighted a recent study by the Dartmouth Atlas Project that looks at the cost to care for patients with severe chronic illnesses compared with the results for patients. The study found that Medicare could save 30 percent on chronic illness and actually improve medical care.

In a letter to Health and Human Services Secretary Mike Leavitt, Idaho Senators Larry Craig and Mike Crapo highlighted a recent study by the Dartmouth Atlas Project, www.dartmouthatlas.org, that looks at the cost to care for patients with severe chronic illnesses compared with the results for patients. The study found that Medicare could save 30 percent on chronic illness and actually improve medical care. According to the Project's website, "The focus of the new study is the care of Medicare beneficiaries with one or more of twelve chronic illnesses that accounts for more than 75% of all U.S. health care expenditures. Among people who died between 1999 and 2003, per capita spending varied by a factor of six between hospitals across the country." The report concluded, "Almost one-third of Medicare spending for chronically ill is unnecessary. . . Improving care could also lower costs."

Craig and Crapo noted that the report listed Idaho as one of states with the lowest expenditures for Medicare patients with chronic illnesses. While one might initially consider this a negative, the report documents that the states with the lowest expenditures, number of doctor visits, etc. actually had better outcomes for the patients.

In the letter, the Senators wrote, "Our home state of Idaho had the lowest expenditure rate in the nation at just over \$23,000 per patient compared with New Jersey, which had the highest, at nearly \$40,000 per patient. . . What is most interesting and worthy of attention in our judgment is the fact that neither the higher per patient expenditures, nor the increased physician visits were associated with *any improved outcomes* for Medicare patients. In fact, just the opposite appears to be the case. The report found that 'greater use...appears to be associated with worse outcomes, poorer quality and lower satisfaction.'"

The Senators go on to point out that Medicare is the largest entitlement expense of the federal government, and is expected to only become larger, stating that Medicare is set to, "saddle the next generation of Americans with a fiscal challenge that will necessitate draconian cuts in all federal programs or a massive tax increase."

The Senators end the letter asking the Secretary to use this report to take bold action on Medicare reform, focusing efforts on promoting good health and on "evidence-based medicine with strong performance and accountability standards to ensure the best outcomes for all patients."